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10 UNITED STATES DISTRICT COURT  
11 NORTHERN DISTRICT OF CALIFORNIA  
12 SAN FRANCISCO DIVISION  
13

14 OPEN TEXT S.A.,

15 Plaintiff,

16 v.

17 ALFRESCO SOFTWARE LTD.;  
18 ALFRESCO SOFTWARE, INC.; and  
19 CARAHSOFT TECHNOLOGY  
CORPORATION,

20 Defendants.  
21

Case No. C 13-04843 JD

**OPEN TEXT'S STATEMENT OF  
THE IMPACT OF ALICE CORP. V.  
CLS BANK INT'L, NO. 13-298, 574 U.S.  
\_\_\_\_ (JUNE 19, 2014) ON  
DEFENDANTS' MOTION TO  
DISMISS (DKT NO. 35)**

**DEMAND FOR JURY TRIAL**

1       The Court asked the parties to apprise it of the impact that the Supreme Court’s recent  
 2 decision in *Alice Corp. Party Ltd. v. CLS Bank International*, No. 13-298, 574 U.S. \_\_\_, 2014 WL  
 3 2765283 (June 19, 2014) has on the merits of Defendants’ Motion to Dismiss.<sup>1</sup> But before this  
 4 Court addresses *Alice Corp.* and the ultimate issue of patentability under 35 U.S.C. § 101—  
 5 Defendants’ Motion is now moot. The Court ordered Open Text to narrow to 25 asserted claims by  
 6 June 27, 2014. (Dkt No. 125.) Through that narrowing process, Open Text is now only asserting  
 7 two claims from the patents subject to Defendants’ Motion—claim 38 of the ‘372 patent and claim  
 8 22 of the ‘007 patent. Critically, Defendants’ Motion does not specifically address these claims or  
 9 deal with the unique limitations these claims contain. Defendants’ failure to specifically address  
 10 the remaining claims or their unique limitations is fatal to their Motion—proving claims cover  
 11 unpatentable subject matter requires a claim-by-claim analysis and proof by clear and convincing  
 12 evidence. Defendants’ Motion should be dismissed for this reason alone.

13       The merits of Defendants’ Motion fare no better. The *Alice Corp.* opinion does not change  
 14 the law of patentable subject matter under 35 U.S.C. § 101. The Supreme Court relied on and  
 15 affirmed its existing precedent in deciding *Alice Corp.* Open Text briefed its Opposition (Dkt No.  
 16 43) under this same precedent. Importantly, computer-implemented inventions like those claimed  
 17 in Open Text’s ‘372 and ‘007 patents remain patentable. The Supreme Court’s holding in *Alice*  
 18 *Corp.* reiterates the longstanding proposition that adding a general purpose computer specified at a  
 19 high level of generality to a claim covering an otherwise unpatentable abstract idea does not  
 20 convert the abstract idea into a patentable invention.

21       Open Text’s claims, however, do not merely add a general purpose computer to an  
 22 otherwise unpatentable abstract idea. Instead, under *Alice Corp.*—and the more than 40 years of  
 23 precedent affirmed by *Alice Corp.*—the Open Text patent claims have limitations that add  
 24 significantly more and are therefore outside the scope of the narrow “abstract idea” exception to  
 25

26 \_\_\_\_\_  
 27 <sup>1</sup>Alfresco Software Ltd., Alfresco Software, Inc., and Carahsoft Technology Corp.’s (collectively  
 28 “Defendants”) moved to dismiss claims of infringement of U.S. Patent No. 7,647,372 (“‘372  
 patent”) and U.S. Patent No. 7,975,007 (“‘007 patent”) for lack of patentable subject matter under  
 35 U.S.C. § 101, alleging these patents’ claim unpatentable “abstract ideas.” (Dkt No. 35.)

1 patentability. This means that Open Text’s patent claims constitute patentable subject matter  
2 under *Alice Corp.* and that Defendants’ Motion fails on the merits.

### 3 **I. STATEMENT OF IMPACT**

#### 4 **A. Defendants’ Motion is Moot in Light of Open Text’s Court-Ordered** 5 **Narrowing of Asserted Claims.**

6 As an initial matter, Defendants’ Motion to Dismiss is now moot. Open Text is narrowing  
7 to 25 asserted claims at the Court’s Order and will only be asserting two claims from the patents  
8 subject to Defendants’ Motion to Dismiss—claim 38 of the ’372 patent and claim 22 of the ’007  
9 patent. Defendants’ Motion to Dismiss does not specifically address either claim. (*See* Dkt No. 36  
10 at 11, 12, 13, 23, 24, 25, and 27 (addressing only claims 1, 2, 3, 4, 16, 22, and 37 of the ’372  
11 patent and claims 1, 2, 3, 4, 18, 21, and 26 of the ’007 patent).) Nor does Defendants’ Motion deal  
12 with the unique limitations in claims 38 or 22. This failure renders their Motion legally  
13 insufficient to overcome the patent claims’ presumption of validity. 35 U.S.C. § 282;  
14 *Ultramercial, Inc. v. Hulu, LLC*, 722 F.3d 1335, 1338 (Fed. Cir. 2013).

15 Each claim of a patent is independently presumed valid under 35 U.S.C. § 101. 35 U.S.C.  
16 § 282; *Ultramercial*, 722 F.3d at 1338. As a result, subject matter eligibility “must be determined  
17 on a claim-by-claim basis” and invalidity must be shown by “clear and convincing evidence.”  
18 *Ultramercial*, 722 F.3d at 1338, 1340; *see also* Dkt No. 43 at 11. Defendants fail to meet this  
19 burden.

20 In an attempt to avoid arguing the full merits of their Motion, for the majority of the ’372  
21 and ’007 patents’ claims Defendants state only that “[t]he other dependent claims in the patents are  
22 either identical in substance to [the] claims [specifically addressed] or similarly add no ‘inventive  
23 concept’ or particular machine or transformation.” (Dkt. No. 36 at 27.) Not only is Defendants’  
24 statement factually wrong, as explained below, it is also legally inadequate. This blanket  
25 generalization fails to address the unique limitations in the two asserted claims—either  
26 individually or in context of the claims as a whole. Both are required. *See Alice Corp.*, 2014 WL  
27 2765283, at \*6 n.3. Defendants’ failure to address these limitations is fatal to their Motion.

28

**B. The Supreme Court’s Decision in *Alice Corp.* Does Not Change the Law on Patentable Subject Matter or This Court’s Analysis of Defendants’ Motion.**

The *Alice Corp.* decision does not change the “abstract idea” exception to patentable subject matter under 35 U.S.C. § 101. *See generally*, 2014 WL 2765283. Quite the opposite—the *Alice* Court affirmed its prior abstract idea precedent and the patentable subject matter tests set out in *Mayo*. *See Alice Corp.*, 2014 WL 2765283, at \*6 (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289 (2012)). The *Alice* Court also reiterated that “the concern that drives [the law of nature, natural phenomena, and abstract idea] exclusionary principle [is] one of pre-emption.” *Id.* at \*5 (citing *Bilski v. Kappos*, 561 U.S. 593, 611-12 (2010).) Laws of nature, natural phenomena, and abstract ideas are the basic tools of scientific and technological work. *Id.* (citation and quotation omitted). “[M]onopolization of those tools through the grant of a patent might tend to impede innovation more than it would tend to promote it,’ thereby thwarting the primary object of the patent laws.” *Id.* (quoting *Mayo*, 132 S. Ct. at 1293, slip op., at 2).

However, the *Alice* Court cautioned that courts must be careful in applying “this exclusionary principle lest it swallow all of patent law” because “[a]t some level ‘all inventions ... embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.’” *Id.* (quoting *Mayo*, 132 S. Ct. at 1293, slip op., at 2). As a result, “an invention is not rendered ineligible for patent simply because it involves an abstract concept.” *Id.* (citing *Diamond v. Diehr*, 450 U.S. 175, 187 (1981).) Instead, patents that claim the abstract idea itself are unpatentable because they “‘risk disproportionately tying up the use of the underlying’ ideas.” *Id.* (citing *Mayo*, 132 S. Ct. at 1294, slip op., at 4, quotation omitted). Patents with claims that integrate the abstract idea into something more are patent-eligible inventions because they pose no comparable risk of pre-empting the underlying abstract idea itself. *See id.*

Based on this foundation, the *Alice* Court used the framework set out in *Mayo* and looked to the patent claims at issue in *Mayo*, *Bilski*, and other cases as examples in determining whether the claims at issue in *Alice Corp.* were unpatentable abstract ideas. *E.g.*, *Alice Corp.*, 2014 WL 2765283, at \*6-\*7, \*9 (discussing *Mayo*’s “inventive concept” test requiring claim to contain enough additional features to ensure it is not a claim to the abstract idea itself). The Supreme

1 Court noted that computer-implemented inventions could be patent eligible (*Id.* at \*10), but that  
 2 the patent claims in *Alice Corp.* were unpatentable because they did nothing more than add some  
 3 unspecified generic computer to the abstract ideas embodied by the claims. *Id.* at \*11. This is not  
 4 new—it has been the law for method claims since the Supreme Court decided *Gottschalk v.*  
 5 *Benson*, 409 U.S. 63 (1972), more than 40 years ago. *Alice Corp.*, 2014 WL 2765283, at \*9, \*11.  
 6 The Supreme Court in *Alice Corp.* extended the reasoning in *Benson* to system claims and  
 7 computer-readable medium claims. *Id.* at \*12.

8 As set out below, Open Text’s asserted claims contain significantly more than the  
 9 underlying abstract idea and are therefore patentable subject matter. And Open Text briefed its  
 10 Opposition under the precedent affirmed in *Alice Corp.* and Federal Circuit decisions applying  
 11 those cases. (*See, e.g.*, Dkt No. 43 at 8-9, 13-14, 17-18 (citing *Mayo*, *Bilski*, and *Ultramercial*, 722  
 12 F.3d 1335, which was on remand from the Supreme Court for reconsideration in light of *Mayo*).)  
 13 As a result, the legal framework, cases, and analysis in Open Text’s Opposition remain valid, as do  
 14 Open Text’s patent claims.

15 **C. Under *Alice Corp.* Open Text’s Remaining Claims are Patentable Subject**  
 16 **Matter—Not “Abstract Ideas.”**

17 All the claims of the ‘372 and ‘007 patents survive *Mayo*’s—and now *Alice*’s—  
 18 patentability test—as set out in Open Text’s Opposition. (*See generally*, Dkt No. 43.) The claims  
 19 are tied to specific programs and hardware operating in specific ways on network-connected  
 20 computers which eliminate the risk of preempting the field of interactive communications. *Alice*  
 21 *Corp.*, 2014 WL 2765283, at \*6; *see* Dkt No. 43 at 4, 5, 14. This is very different from simply  
 22 adding an unspecified general purpose computer to an otherwise unpatentable claim. And  
 23 currently asserted claims 38 and 22, in particular, add further distinct limitations requiring  
 24 particular machines and transformations—significantly more than any underlying abstract idea.  
 25 (*See* Dkt No. 43 at 11-12, 13-14, 17-18.)

26 For example, claim 38 adds the requirement of a participant interaction with a web site.  
 27 (Dkt No. 43 at 7, 11; ‘372 patent, cl. 38.) The Federal Circuit addressed a similar limitation in  
 28 *Ultramercial*, finding that a claim limitation providing “products for sale on an Internet website”

1 was indicative of patentable subject matter. 722 F.3d at 1350 (claims required the “method be  
2 performed through computers, on the internet, and in a cyber-market environment”). In addition to  
3 requiring interaction with a web site, claim 38 requires network-connected computers operating  
4 over the internet. (Dkt No. 43 at 4; ‘372 patent, cl. 38.) These limitations prevent claim 38 from  
5 preempting the underlying idea of interactive communication by requiring significantly more than  
6 the idea of interactive communications itself. As a result, claim 38 is patentable subject matter. *See*  
7 *Alice Corp.*, 2014 WL 2765283, at \*6.

8 Similarly, claim 22 adds the requirement of an email server connected to the “dialog  
9 computer” for sending email communications to participants. (Dkt No. 43 at 7; ‘007 patent, cl. 22.)  
10 These limitations tie claim 22 to network-connected computers operating with access to the  
11 Internet. (*See* Dkt No. 43 at 5, 7.) Again, there is no risk claim 22 will preempt the field of  
12 interactive communications, which means claim 22 does not fall within the narrow “abstract idea”  
13 exception to patentable subject matter. *See Alice Corp.*, 2014 WL 2765283, at \*6.

14 Accordingly, if the Court reaches the merits for the ‘372 and ‘007 patent claims—and the  
15 two currently-asserted claims—the claims are valid patentable subject matter, they are not abstract  
16 ideas. (Dkt No. 43 at 13-15.)

## 17 **II. CONCLUSION**

18 Defendants’ Motion to Dismiss is moot and should be rejected. And the Supreme Court’s  
19 decision in *Alice Corp.* does not cure the Motion’s deficiencies. The two remaining claims contain  
20 meaningful limitations that are significantly more than the underlying abstract ideas themselves.  
21 As such, Defendants’ Motion fails on the merits and should be dismissed for this additional  
22 reason.

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